GOVERNMENT OF INDIA
COAL
LOK SABHA

STARRED QUESTION NO:103
ANSWERED ON:09.02.2017
Coal Linkages
Chauhan Shri Devusinh Jesingbhai

Will the Minister of COAL be pleased to state:

(a) whether adequate steps have been taken to reduce production cost and also import of coal and if so, the details thereof;

(b) whether steps have also been taken for rationalization of coal linkages and if so, the details thereof;

(c) whether the Government proposes to allocate more quantity of coal to the Gujarat State Electricity Corporation Limited (GSECL) keeping in view their burgeoning demand and if so, the details thereof; and

(d) whether the Government has initiated steps for swapping of coal of power utilities of Gujarat and if so, the details thereof ?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF COAL, POWER, NEW AND RENEWABLE ENERGY AND MINES

(SHRI PIYUSH GOYAL)

A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (d) of Lok Sabha Starred Question No.103 to be answered on 9.2.2017 asked by SHRI DEVUSINH CHAUHAN

(a) : Yes Madam. Steps taken by Coal India Limited (CIL) to reduce production cost are as under:

i. Introducing bigger sizes of equipment in opencast mines
ii.Cutting down the idle time and breakdown time of machinery by better maintenance and timely procurement of spares.
iii. Standardization of equipment fleet at mine level as well as at company level.
Iv. Correcting mismatch in excavation and transport equipment capacity
v. Optimizing size and capacity of the mine.
vi. Benchmarking of power and diesel consumption.
vii. Improvement of power factor at various locations.
viii. Introduction of Operator Independent Truck Despatch System (OITDS) for improving capacity utilisation
ix. Maximum use of Mass production underground technology like longwall, continuous miner, road headers etc
x. Implementation of E-procurement & Reverse auction for finalisation of contracts for materials, services, procurement of explosives and procurement of HEMM.
xi. CIL has adopted a host of ICT initiative to make internal processes IT driven and to enhance all round system efficiency transparency to improve employee, customer and vendor satisfaction.

Steps taken to reduce import of coal are as under:

In order to reduce import of coal, coal companies have been advised to improve domestic coal production. Further, to reduce import of high grade coal, Coal India Ltd has been asked to take steps for import substitution. A number of steps have been taken by CIL including offering higher grade coal through various types of e-auction including special forward e-auction with ease-of-business terms like flexi tenure of lifting, reduction of EMD and floor price to cater to requirement of various consumers including TPPs not having FSA with CIL sources.

So far, source re-allocation of NTPC and its JVs, Tangedco, NTPL Tuticorin, NTECL Vallur have been done and also allocation of additional higher grades of coal through MOU/FSAs to NTPC, Tangedco, and NTPL Tuticorin have been done towards Import

substitution.

In the current year (2016-17) [till 31.12.2016], indicative import substitution by FSA holding consumers of CIL has been to the tune of 12.8 MT (Provisional).

(b): An Inter-Ministerial Task Force was constituted by Ministry of Coal in June 2014 for a comprehensive review of existing coal sources and also feasibility for rationalization of these sources with a view to optimize transportation cost. As a part of this exercise, rationalisation of sources has been implemented in following steps:

Rationalisation Stage Rationalisation Quantity (in MT) Potential annual savings in Transportation cost (in Rs. crore)
IMTF - Source rationalisation 24.2 1013
IMTF - Swapping of sources 1.3 458
Post − IMTF 15.0 1032
Total 40.5 2503

(c): In view of the comfortable coal stock position TPPs of Gujarat have preferred to consume coal from their stock and have occasionally regulated coal lifting. Details of dispatch to TPPs and coal stock of Gujarat State Electricity Corporation Limited (GSECL) are at Annexure.

(d): An agreement was signed between GSECL and NTPC in November, 2014 for 1.3 MT of coal with the liability of SECL to supply domestic coal to NTPC instead of GSECL, as per their mutually agreed terms, with potential annual savings of Rs.458 crores of transportation cost. In addition, sources of GSECL have further been rationalised by transfer of 1.2 MT coal from SECL to WCL and MoU have been signed for implementation.

Name of the Power Plant Existing Coal Company Transferee Coal Company Quantity for which FSA/MOU (s) were signed (MT) (Provisional)
Savings
GANDHINAGAR SECL WCL 0.500 48.00
WANAKBARI SECL WCL 0.700 52.71

Annexure

A. Details of despatch for GSECL TPPs:

Coal Lifting by TPPs of GSECL & of Gujarat against FSA commitment (in "000Tonnes)
Name of TPP 2016-17 (APR-DEC"2016) (PROVISIONAL) 2015-16 (PROVISIONAL) 2014-15
FSA Qty Despatch % MAT FSA Qty Despatch % MAT FSA Qty Despatch % MAT
SIKKA 878 103 12% 1220 293 24% 1220 632 52%
UKAI 3002 3386 113% 4170 4218 101% 4170 4723 113%
GANDHINAGAR 2491 1403 56% 3460 2050 59% 3460 2045 59%
WANAKBORI 6134 2161 35% 8520 4693 55% 8520 6487 76%
Total GSECL TPPs 12506 7054 56% 17370 11254 65% 17370 13886 80%

B. Details of coal stock for GSECL TPPs (as on 06.02,2017):

Sl.No. Name of TPP Stock in '000 Tonnes Stock in No. of Days
1. Sikka 94 20
2. Ukai 283 28
3. Gandhinagar 264 46
4. Wanakbari 440 40